

01763

1994/08/29

SECRETARY OF COMMERCE RONALD H. BROWN'S REMARKS AS DELIVERED TO THE AMERICAN CHAMBER OF COMMERCE BREAKFAST ROUNDTABLE ON THE MORNING OF AUGUST 29, 1994, 4B

FOLLOWING AN INTRODUCTION BY CHARLES HAMRICK, EXECUTIVE VICE PRESIDENT, AMERICAN CHAMBER OF COMMERCE, BEIJING.

SECRETARY BROWN: THANK YOU. THANK YOU VERY MUCH. THANK YOU. THANK YOU. THANK YOU VERY MUCH CHUCK FOR THAT VERY GRACIOUS INTRODUCTION AND ALL OF YOU FOR THAT WARM WELCOME. IT IS AN HONOR TO BE WITH REVOLUTIONARY CAPITALISTS THIS MORNING.

I AM INDEED PLEASED TO BE HERE IN BEIJING. THERE IS NOT A COUNTRY I GO TO IN THE WORLD WHERE I DON'T MAKE ONE OF THE STOPS A AMCHAM BREAKFAST OR LUNCH OR DINNER OR RECEPTION, AND THIS IS A PARTICULARLY IMPORTANT MORNING FOR ME. IT HAS BEEN ALMOST A DECADE SINCE I HAVE BEEN IN BEIJING SO I CAN BEAR WITNESS TO THE EXTRAORDINARY CHANGES THAT HAVE TAKEN PLACE HERE AND I KNOW THAT IT IS MANY OF THE MEN AND WOMEN IN THIS ROOM WHO ARE RESPONSIBLE FOR THAT CHANGE. I SAID LAST NIGHT AT A DINNER THAT THE MAYOR HOSTED THAT WHEN I WAS HERE 10 YEARS AGO THERE WERE JUST SCORES OF BICYCLES EVERYWHERE JAMMING ALL OF THE ARTERIES. AND NOW WHILE THERE ARE PROBABLY MORE BICYCLES, MORE CARS THAN BICYCLES ARE JAMMING THOSE SAME ARTERIES WHICH IS ONLY ONE SIGN OF WHAT IS GOING ON IN TERMS OF DEVELOPMENT AND IN TERMS OF IMPROVING THE LIVES AND RAISING THE STANDARD OF LIVING OF THE CHINESE PEOPLE.

YOU HERE THIS MORNING ARE TRUE PIONEERS BOTH OF A NEW MOVEMENT IN AMERICAN TRADE, AND AS IMPORTANT PARTNERS IN THE ECONOMIC AND SOCIAL TRANSFORMATION OF THIS, THE WORLD'S MOST POPULOUS COUNTRY. YOUR WORK HERE CREATES JOBS IN THE UNITED STATES, AND HELPS OUR ENTIRE ECONOMY CONTINUE TO GROW AND TO PROSPER. THE CLINTON ADMINISTRATION BELIEVES THAT OUR PLACE IS TO BE BESIDE YOU, STANDING SHOULDER TO SHOULDER WITH YOU IN WHAT IS EXCRUCIATINGLY TOUGH AND DIFFICULT GLOBAL COMPETITION. THIS MISSION HIGHLIGHTS PRESIDENT CLINTON'S COMMITMENT TO BUILDING LONG-TERM, LASTING COMMERCIAL AND POLITICAL RELATIONSHIPS WITH CHINA AND HONG KONG AND TO SUPPORT ALL OF YOUR EFFORTS.

AS YOU ARE WELL AWARE, WE ARE AT A SPECIAL, SOME THINK AN HISTORIC JUNCTURE IN OUR RELATIONSHIP WITH CHINA.

BY MOVING BEYOND THE SPECIFIC LINKAGE BETWEEN MOST FAVORED NATION STATUS AND HUMAN RIGHTS, WE CAN PURSUE ALL OF THE BROAD INTERESTS OF THE UNITED STATES IN A MORE EFFECTIVE MANNER.

THE AMERICAN ECONOMY IS NOW BACK ON TRACK WITH STRONG GROWTH, WITH VIRTUALLY NO INFLATION, WITH INCREASED EMPLOYMENT, WITH HEIGHTENED CONSUMER CONFIDENCE, WITH HEIGHTENED BUSINESS CONFIDENCE, WITH MORE INVESTMENT IN PLANT AND EQUIPMENT AND RESEARCH AND DEVELOPMENT WHICH BODES WELL FOR THE FUTURE. MANY OF OUR FIRMS HAVE UNDERGONE PAINFUL RESTRUCTURING, AND HAVE EMERGED MUCH LEANER AND MEANER. AS A RESULT, WE ARE BETTER PREPARED, WE ARE BETTER POSITIONED TO COMPETE IN THE WORLD ECONOMY THAN WE HAVE BEEN FOR SEVERAL DECADES. IN ADDITION, THIS ADMINISTRATION HAS MADE TWO FUNDAMENTAL CHANGES IN UNITED STATES COMMERCIAL POLICY. FIRST, WE HAVE RECOGNIZED THAT ASIA MUST PLAY A CENTRAL ROLE IN OUR FUTURE GROWTH IF WE ARE TO CARRY AMERICAN GLOBAL LEADERSHIP INTO THE 21ST CENTURY.

NEXT, WE ARE COMMITTED TO GOING BEYOND SIMPLY INSURING THAT AMERICAN FIRMS FIND A LEVEL PLAYING FIELD AROUND THE WORLD. WE ALSO ARE COMMITTED TO PLAYING TO WIN. THE DAY IS PAST WHEN COMPANIES LIKE YOURS MUST JUST SIT BACK AND OBSERVE AND WATCH OUR OVERSEAS COMPETITORS BENEFIT FROM THE ACTIVE ADVOCACY AND SUPPORT OF THEIR GOVERNMENTS. YOUR PLEA THAT AN EFFECTIVE PUBLIC-PRIVATE PARTNERSHIP IS A PRE-REQUISITE FOR COMPETITION IN MANY ASIAN MARKETS NO LONGER FALLS ON DEAF EARS. THE UNITED STATES GOVERNMENT IS NOW PLAYING AN ACTIVIST, AN AGGRESSIVE ROLE ON YOUR BEHALF AND WE PLAN TO TURN UP THE HEAT IN THE FUTURE.

THIS MISSION IS AN EXAMPLE OF OUR COMMITMENT TO HELPING YOU WIN GREATER UNITED STATES MARKET SHARE NOT ONLY HERE IN CHINA BUT ALL OVER THE WORLD. WITH ME ARE 24 DISTINGUISHED CHIEF EXECUTIVE OFFICERS OF LEADING AMERICAN FIRMS THAT HAVE INTEREST IN CHINA. THEY ARE DOING THE HEAVY LIFTING. BUT, WE ARE HERE TO BACK THEM UP WITH ALL THE SUPPORT THE CLINTON ADMINISTRATION CAN MUSTER. AND I'D LIKE US TO PAY TRIBUTE TO THEM BY ASKING THEM ALL TO STAND AND BE RECOGNIZED THIS MORNING. (THEY STAND.)

(APPLAUSE)

WHEN YOU LOOK AT THESE MEN AND WOMEN, I HOPE THAT YOU SEE WHAT WE SEE. WE SEE AMERICAN LEADERSHIP, WE SEE CUTTING EDGE TECHNOLOGIES THAT EXEMPLIFY AMERICAN INNOVATION, AND WE SEE AMERICANS WHO RECOGNIZE THAT IT IS IN OUR INTEREST AS A NATION TO HELP CHINA CONTINUE ITS PHENOMENAL GROWTH. BUT WE SEE MORE THAN THAT, AS WELL. IN THIS DELEGATION WE SEE LEADERS OF COMPANIES WHICH EMPLOY OVER 650,000 AMERICANS, LITERALLY HUNDREDS OF THOUSANDS OF AMERICANS WHO IN PART WILL OWE THEIR FUTURE LIVELIHOOD TO TRADE WITH CHINA.

THIS MISSION IS ALSO A PRODUCT OF AN EXAMPLE OF A NEW STRATEGY OF COMMERCIAL DIPLOMACY -- A MORE EFFECTIVE APPROACH TO UNITED STATES-CHINESE RELATIONS GEARED TOWARDS LONG-TERM PROGRESS AND GROUNDED IN COMMERCIAL ENGAGEMENT.

COMMERCIAL DIPLOMACY -- BY PLACING SHARED TRADE AND INVESTMENT CONCERNS AT THE CENTER OF A LARGER DIALOGUE -- CREATES A STARTING POINT FROM WHICH WE CAN EXPAND OUR RELATIONSHIP ACROSS MANY FIELDS.

WE HAVE COME TO REALIZE IN AMERICA THAT OUR NATIONAL SECURITY IS INDEED INEXTRICABLY TIED TO OUR ECONOMIC SECURITY. COMMERCIAL DIPLOMACY ALLOWS THE UNITED STATES TO PURSUE OUR ECONOMIC AGENDA OF CREATING JOBS BY INCREASING EXPORTS AND BRINGING DOWN BARRIERS TO TRADE. IT BRINGS BENEFITS TO BOTH THE UNITED STATES AND TO CHINA -- PROVIDING CHINA THE TOOLS THEY NEED TO CONTINUE THEIR ASTONISHING GROWTH, WHILE FURTHER OPENING CHINA'S VAST MARKET TO AMERICAN FIRMS.

AND COMMERCIAL DIPLOMACY PROVIDES THE BASIS FOR LONG-TERM SUSTAINABLE GROWTH IN THE UNITED STATES-CHINESE RELATIONSHIP, ADVANCING NOT ONLY ECONOMIC BUT STRATEGIC AND HUMAN RIGHTS OBJECTIVES. BUILDING COMMERCE BETWEEN OUR TWO NATIONS ENCOURAGES THE EXCHANGE NOT ONLY OF PRODUCTS AND CAPITAL, BUT ALSO OF IDEAS AND IDEALS -- BETWEEN JOINT VENTURE PARTNERS, BETWEEN TRADING PARTNERS, BETWEEN TRAINERS AND TRAINEES, AND BETWEEN OUR TWO GOVERNMENTS.

WHEN PRESIDENT CLINTON ACTED IN MAY TO DELINK HUMAN RIGHTS AND RENEWAL OF MOST FAVORED NATION STATUS, HE SAID, AND I QUOTE, "THIS DECISION...OFFERS US THE BEST OPPORTUNITY TO LAY THE BASIS FOR LONG-TERM SUSTAINABLE PROGRESS IN HUMAN RIGHTS, AND FOR THE ADVANCEMENT OF OUR INTERESTS IN CHINA...THE WORLD'S FASTEST-GROWING ECONOMY."

HERE IN CHINA, ON BEHALF OF THE PRESIDENT, MY CONCERNS COVER THE WHOLE RANGE OF BILATERAL ISSUES. BUT AS SECRETARY OF COMMERCE MY PRIMARY FOCUS IS OUR COMMERCIAL RELATIONSHIP WITH THIS GREAT COUNTRY AND ITS VITAL ECONOMY. WE ARE LOOKING BOLDLY BEYOND THE HORIZON. WE ARE LOOKING TO THE FUTURE AND ALTHOUGH THE MARKETS OF OUR TRADITIONAL TRADING PARTNERS IN EUROPE AND ELSEWHERE CONTINUE TO BE VITAL AND WILL BE VITAL IN THE YEARS AHEAD, THE CLINTON ADMINISTRATION IS HELPING TO SHIFT AMERICA'S ECONOMIC FOCUS FROM THOSE MATURE MARKETS OF EUROPE, TO THE EMERGING ECONOMIC POWERS OF LATIN AMERICA AND PARTICULARLY THE ASIA-PACIFIC REGION. AS THE BIGGEST -- BY AN ORDER OF MAGNITUDE -- OF THE BIG EMERGING MARKETS THAT WILL PROVIDE MUCH OF THE GROWTH IN DEMAND FOR AMERICAN EXPORTS IN THE YEARS AHEAD, CHINA IS ONE OF THE FIRST OF OUR PRIORITIES.

WE ARE AWARE THAT AMERICAN BUSINESSES IN CHINA FACE A BROAD ARRAY OF OBSTACLES, OBSTACLES TO ENTRY AND TO EXPANSION. EVERY SINGLE MEMBER OF OUR DELEGATION -- PUBLIC AND PRIVATE SECTOR -- WILL USE EVERY OPPORTUNITY TO DRIVE HOME TO OUR CHINESE COUNTERPARTS THE NEED TO CONTINUE THE REFORMS THAT ARE THE BASIS FOR RECENT ECONOMIC GROWTH. THESE REFORMS MUST ENCOMPASS THE FUNDAMENTAL PRE-REQUISITES OF MAINTAINING AN OPEN,

PREDICTABLE, RATIONAL, AND MOST OF ALL, TRANSPARENT TRADE AND INVESTMENT ENVIRONMENT. IN OTHER WORDS, CREATING THE CLIMATE FOR INVESTMENT AND TRADE AND COMMERCE, RAISING THE COMFORT LEVEL OF POTENTIAL INVESTORS AND TRADING PARTNERS. DURING MY MEETINGS IN BEIJING AND OTHER PARTS OF CHINA, I WILL ENSURE THAT YOUR CALL FOR SPECIFIC IMPROVEMENTS GETS A FAIR HEARING, AND WE WILL REDOUBLE OUR EFFORTS TO SEE PROGRESS SOON. THESE INCLUDE:

- EXPANDING THE SCOPE OF ACTIVITIES PERMISSIBLE-- UNITED STATES COMPANIES SHOULD BE ALLOWED TO IMPORT, TO SELL, AND TO SERVICE THEIR OWN PRODUCTS.
- ALLOWING UNITED STATES FIRMS TO HIRE EMPLOYEES WITHOUT GOING THROUGH CHINA'S LABOR SERVICE ORGANIZATIONS.
- LIBERALIZING THE EXISTING OPERATING ENVIRONMENT-- UNITED STATES FIRMS SHOULD HAVE GREATER ACCESS TO CHINA'S SERVICE SECTORS, INCLUDING INSURANCE, AND BANKING, AND TELECOMMUNICATIONS AND RETAIL.
- PROVIDING EQUAL TREATMENT WITH CHINESE STATE ENTERPRISES WITH REGARD TO MARKET ACCESS TO THE DOMESTIC MARKET, ACCESS TO RAW MATERIALS, PRICES FOR INPUTS, LOANS, AND TREATMENT BY CUSTOMS.
- AND, DEALING WITH STILL ONEROUS PROFIT REPATRIATION LIMITATIONS.

WHILE HERE, WE EXPECT TO CONCLUDE A BROAD RANGE OF AGREEMENTS TO PUT INTO PLACE A FOUNDATION FOR A LONG TERM AND RAPIDLY EXPANDING UNITED STATES-CHINESE COMMERCIAL RELATIONSHIP. WE WILL ANNOUNCE AGREEMENTS THAT INSURE BETTER COOPERATION, AND COMMUNICATION, AND PROBLEM SOLVING MECHANISMS, AND GREATER UNITED STATES RESOURCES DEVOTED TO THIS MARKETPLACE. FOR EXAMPLE, LATER TODAY, WE EXPECT TO SIGN A JOINT STATEMENT ON COOPERATION IN COMMERCIAL LAW. THAT STATEMENT WILL, WE BELIEVE, IMPROVE THE TRANSPARENCY OF CHINA'S TRADE AND INVESTMENT LAWS BY PROVIDING FOR EXCHANGE OF INFORMATION ON COMMERCIAL LAW DEVELOPMENTS, DISSEMINATION OF LAWS, AND ESTABLISHING REPOSITORIES FOR TRADE LAW.

THAT SIGNING WILL ITSELF BE PART OF A BROADER SET OF AGREEMENTS ALL FALLING UNDER THE FRAMEWORK OF THE UNITED STATES-CHINA JOINT COMMITTEE ON COMMERCE AND TRADE. THIS EVENING WE WILL SIGN MORE THAN A DOZEN SEPARATE AGREEMENTS UNDER THE JCCT THAT WILL TRANSFORM THAT ENTITY INTO AN UNPRECEDENTED TOOL TO ADVANCE YOUR INTERESTS AND THOSE OF BOTH THE AMERICAN AND THE CHINESE PEOPLE FAR INTO THE FUTURE. THESE SIGNINGS WILL TAKE OUR DIALOGUE TO A NEW LEVEL, CREATING A PERMANENT

AND AN EFFECTIVE SYSTEM FOR IDENTIFYING NEW OPPORTUNITIES AND ADDRESSING OBSTACLES THAT IMPAIR OUR COMMERCIAL RELATIONSHIP.

THE NEW JCCT WILL NOT BE MERELY A FORMAL MEETING PLACE FOR GOVERNMENT OFFICIALS. IT WILL BE AN ACTIVE FORUM FOR PUBLIC-PRIVATE DIALOGUE BETWEEN OUR TWO COUNTRIES. AS PART OF TODAY'S SIGNINGS WE WILL INITIATE WORK PROGRAMS THAT WILL CONTINUE ON A YEAR-ROUND BASIS. INDEED, CURRENT PLANS ALREADY CALL FOR WELL OVER 40 SEPARATE CONFERENCES, SEMINARS, MISSIONS, TWINING PROGRAMS AND RELATED EFFORTS--ALL OF THESE ABOVE AND BEYOND THE ANNUAL AND EXECUTIVE SESSIONS OF THE JCCT. AGREEMENTS WITHIN THE JCCT FRAMEWORK INCLUDE SECTORAL WORK PROGRAMS IN POWER GENERATION, IN INFORMATION TECHNOLOGIES, IN SERVICES, IN ENVIRONMENTAL ISSUES, IN TRANSPORTATION AND CHEMICALS, AND IN HEALTH CARE, AND WILL ALLOW UNITED STATES AND CHINESE OFFICIALS AND BUSINESS PEOPLE TO DISCUSS ISSUES AT THE VERY PRACTICAL LEVEL -- THE LEVEL WHERE THE RUBBER MEETS THE ROAD, SO TO SPEAK. THEY WILL CREATE A BRIDGE TO BRING OUR INDUSTRIES CLOSER TOGETHER ON CHINA'S INFRASTRUCTURE MODERNIZATION DRIVE--PERHAPS THE MOST AMBITIOUS IN THE WORLD AND SURELY A GREAT SOURCE OF UNITED STATES EXPORTS FOR THE YEARS TO COME. THEY WILL CREATE NEW INITIATIVES IN KEY AREAS IN WHICH COMMERCIAL CONNECTIONS FOSTER OUR BROADER NATIONAL OBJECTIVES, SUCH AS TWINING, SUCH AS FOCUSING ON PRACTICAL PROBLEMS IN TRADE AND INVESTMENT, AND ENTERPRISE TWINING. TWINING HAS BEEN A KEY FOUNDATION OF MANY FIRMS' ACTIVITIES HERE AND WE INTEND TO FOCUS VIGOROUSLY ON ITS IMPLICATIONS FOR OUR COMMERCIAL RELATIONS.

ALL THESE PROGRAMS WILL LAY A FOUNDATION ON WHICH WE CAN BUILD ONE OF THE MOST IMPORTANT COMMERCIAL RELATIONSHIPS THAT THE UNITED STATES WILL HAVE IN THE CENTURY AHEAD.

I AM PLEASED THAT WE WILL ALSO HAVE THE OPPORTUNITY ON THIS MISSION TO MARK SEVERAL IMPORTANT DEALS BETWEEN LEADING ENTERPRISES FROM OUR TWO NATIONS. INDEED, IT IS OUR EXPECTATION THAT SEVERAL WILL BE CLOSED TODAY. BUT, AS GRATIFYING AS THESE DEALS ARE, WE SHOULD NOT LOSE SIGHT OF THE FACT THAT OUR GOALS ARE MUCH MORE LONG-TERM.

FOR THIS REASON, I ALSO WILL ACT AS AN ADVOCATE FOR UNITED STATES INTERESTS PRESENTLY COMPETING FOR MORE THAN \$25 BILLION DOLLARS IN PROJECTS THAT WILL BE

LAUNCHED OVER THE NEXT SEVERAL YEARS. WITH ALMOST A QUARTER OF A TRILLION DOLLARS IN INFRASTRUCTURE PROJECTS IN THE PIPELINE, WE INTEND TO COMPETE IN THIS MARKET, AND WE INTEND TO WIN.

I KNOW THAT FINANCING IS A PARTICULAR CONCERN. GERMANY, FRANCE, AND OTHER GOVERNMENTS HAVE BEEN ABLE TO PROVIDE FINANCING BELOW OR AT MARKET RATES. TO COMBAT THIS, EX-IM BANK HAS BEGUN TO AGGRESSIVELY MATCH THESE CONCESSIONARY LOANS TO COUNTER TRADE-DISTORTING FOREIGN TIED AID CREDITS. AND YOU MIGHT NOTE THAT AS A RESULT OF THE WORK OF THE TRADE PROMOTION COORDINATING COMMITTEE, WHICH I HAVE THE HONOR TO CHAIR, THE UNITED STATES IS LOOKING AT NEW POLICY ALTERNATIVES TO MAKE US MORE COMPETITIVE IN THE GLOBAL MARKET PLACE.

COMMERCIAL ENGAGEMENT RECOGNIZES THAT AMERICAN FIRMS ALREADY PLAY AN IMPORTANT ROLE IN THE ONGOING ECONOMIC, SOCIAL, AND LEGAL CHANGES THAT ARE TRANSFORMING CHINA. THIS GIVES OUR WORK TO ELIMINATE THE BARRIERS YOU FACE AN ADDED URGENCY. WE FIRMLY BELIEVE THAT BY HELPING YOU ACHIEVE YOUR COMMERCIAL GOALS, YOU HELP THE ADMINISTRATION AND OUR NATION ACHIEVE OUR LARGER GOALS.

CHANGE WE KNOW IS NEVER EASY, NOR DOES IT OFTEN COME AS QUICKLY AS WE WOULD LIKE. HOWEVER, WE TRULY BELIEVE BY FOCUSING OUR LONG-TERM GOALS AND OUR LONG-TERM EFFORTS ON PRIORITY AREAS OF THIS NEW WORLD, WE ARE ACTING TO CREATE THE STRUCTURES THAT WILL ALLOW US TO ACHIEVE THOSE GOALS; BY SIMULTANEOUSLY RECOGNIZING AND CREATING OPPORTUNITIES FOR NEAR-TERM PROGRESS; BY ADDRESSING COMMERCIAL CONCERNS AS THE COMMON GROUND THAT WILL SPAWN SOLUTIONS TO OUR LARGER GOALS; AND BY CREATING A PARTNERSHIP BETWEEN THE PUBLIC AND PRIVATE SECTORS. THE FACT IS THAT WE CAN, THAT WE MUST, THAT WE WILL BUILD A CLOSER, MORE OPEN AND MUTUALLY BENEFICIAL RELATIONSHIP BETWEEN THE UNITED STATES AND CHINA. THE JOB IS FOR US TO DO. LET'S GET ON WITH IT. THANK YOU VERY MUCH.

(APPLAUSE)

SECRETARY BROWN: THE PROGRAM NOW SAYS Q AND A SESSION. THAT MEANS THAT YOU GET YOUR CHANCE TO TAKE A SHOT AT ME AND I WOULD BE HAPPY TO TRY TO BE RESPONSIVE TO ANY QUESTIONS THAT ANY OF YOU MIGHT HAVE. WHO WANTS TO GO FIRST? THERE ARE MICROPHONES AROUND THE ROOM, SO IF YOU COULD JUST STEP TO A MICROPHONE AND ASK YOUR QUESTION.

AMCHAM MEMBER: YES, GOOD MORNING MR. SECRETARY. I WAS HERE WITH WARREN CHRISTOPHER AND I'M JUST WONDERING IF YOU THINK THAT CHINA AND THE U.S. ARE ON TRACK, POST MFN APPROVAL. ARE YOUR PLANS WHERE THEY ARE SUPPOSED TO BE AT THIS TIME?

SECRETARY BROWN: NO QUESTION THAT WE ARE ON TRCK. OBVIOUSLY THE PRESIDENT'S COURAGEOUS MFN DECISION HAS HAD A PROFOUNDLY POSITIVE IMPACT ON OUR RELATIONSHIP WITH CHINA. THAT IS AS WE INTENDED. BUT I THINK YOU HAVE TO LOOK AT THE WHOLE SPECTRUM OF EVENTS. THE FACT IS THAT YOU HAVE TO LOOK BACK TO THE APEC MEETING IN SEATTLE LAST NOVEMBER WHERE THE PRESIDENTS OF OUR TWO COUNTRIES HAD AN OPPORTUNITY TO MEET. THE WORK THAT WENT ON AND FOLLOW-UP TO APEC, THE MEETING OF THE JOINT COMMITTEE ON COMMERCE AND TRADE WHICH I CO-CHAIR ALONG WITH MINISTER WU YI, WHICH TOOK PLACE SEVERAL MONTHS AGO IN WASHINGTON, AND THEN THE MFN DECISION, AND THEN THE PLANNING FOR THIS MISSION. AND I THINK ALL WOULD AGREE THAT THE QUALITY AND STATURE OF THIS DELEGATION IS UNSURPASSED IN AMERICAN HISTORY. THE FACT IS THAT WE HAVE THE KINDS OF CEOS THAT ARE WITH US, THE FACT THAT WE HAVE SENIOR OFFICIALS OF THE CLINTON ADMINISTRATION WORKING TOGETHER AS A TEAM, AND THE FACT THAT WE HAVE BEEN SO WELL RECEIVED BY THE CHINESE AND THAT THEY ARE SO ENTHUSIASTIC ABOUT THIS MISSION AND ITS PURPOSES DEMONSTRATES CLEARLY THAT WE ARE ON TRACK. IT ALSO DEMONSTRATES CLEARLY THAT WE HAVE GOT A LOT OF WORK AHEAD OF US. WE, AS THE LARGEST AND MOST IMPORTANT DEVELOPED COUNTRY IN THE WORLD, FORGING A NEW RELATIONSHIP, A LONG TERM RELATIONSHIP WITH THE WORLD'S BIGGEST EMERGING MARKET, REALLY CREATES A SET OF CHALLENGES, BUT MORE IMPORTANTLY IT CREATES A SET OF OPPORTUNITIES AND I THINK WE ARE NOW SHAPING THE LANDSCAPE SO TO SPEAK. WE ARE CREATING THE ENVIRONMENT FOR THAT RELATIONSHIP TO BE PROSPEROUS, FOR IT TO BE LONG TERM AND FOR IT TO BE IN THE MUTUAL INTEREST OF BOTH THE UNITED STATES AND CHINA.

JIM MCGREGOR: JIM MCGREGOR FROM DOW JONES, BEIJING OFFICE. I THINK MOST OF THE BUSINESS COMMUNITY IN BEIJING WELCOMES YOUR VISIT AND ALL THE POSITIVE SIGNALS COMING OUT OF WASHINGTON THESE DAYS, BUT THERE IS ALSO SOME CONCERN ABOUT GATT. CHINA WANTS TO GET INTO GATT VERY BADLY AND THERE IS CONCERN HERE THAT THE CLINTON ADMINISTRATION MAY GO SOFT ON GATT, MEANING THAT THEY WOULD ALLOW CHINA INTO GATT WITHOUT MAKING SIGNIFICANT CHANGES ON MARKET ACCESS AND FINANCIAL ACCESS THAT ARE NEEDED. WHERE DOES THE CLINTON ADMINISTRATION SIT ON THAT NOW?

SECRETARY BROWN: THE CLINTON ADMINISTRATION DOESN'T GO SOFT ON ANYTHING AS YOU HAVE NOTED OVER THE LAST 19 MONTHS. WE HAVE MADE A CLEAR AND UNEQUIVOCAL STATEMENT: WE SUPPORT CHINA'S DESIRE FOR ACCESSION TO THE GATT. WE HAVE NOT MADE A JUDGMENT ABOUT WHAT THE TIMING SHOULD BE. WE KNOW HOW IMPORTANT THAT ISSUE IS TO THE CHINESE, BUT IN ORDER TO BE A PART OF A MULTILATERAL TREATY, IN ORDER TO BE A MEMBER OF THE WTO, THERE ARE CERTAIN REQUIREMENTS THAT HAVE TO BE MET, THERE ARE CERTAIN CRITERIA THAT HAVE TO BE MET AND THOSE ARE THE ISSUES THAT ARE UNDER DISCUSSION NOW. WHEN CHINA MEETS THOSE CRITERIA CHINA WILL BE A SIGNATORY TO THE GATT AND WILL BE A PART OF THE WTO. THE UNITED STATES IS GOING TO BE SUPPORTIVE IN THAT EFFORT AND WE ARE DEMONSTRATING THAT SUPPORT VIRTUALLY EVERYDAY IN WORKING WITH THE CHINESE ON ACHIEVING THAT GOAL.

CHARLES HAMRICK: IN RESPECT FOR THE SECRETARY'S TIME WE HAVE TIME FOR ONE MORE QUESTION.

QUESTION: I THINK OF ALL THE OBSTACLES TO TRADE THAT WE FACE THAT WERE MENTIONED HERE TODAY THE ONE THAT I THINK IS IN TOTAL CONTROL OF THE UNITED STATES GOVERNMENT TO FIX FOR US IS THE ISSUE OF MATCHING TIED-AID PROGRAMS OF FOREIGN GOVERNMENTS AND I HAVE SEEN A TREMENDOUS IMPROVEMENT IN THE SPIRIT OF THE EX-IM BANK TO HELP US EXPORTERS WITH THIS PROBLEM BUT I THINK THERE IS STILL A TREMENDOUS GAP IN THE PRACTICAL REQUIREMENTS THAT THE EX-IM BANK PLACES ON US, AND I WONDER IF THAT IS ON YOUR PROGRAM TO DEAL WITH THESE ISSUES.

SECRETARY BROWN: IT IS AND WE DEAL WITH THEM ON A DAILY BASIS. AS I THINK MOST OF YOU KNOW I HAVE A VERY CLOSE RELATIONSHIP WITH KEN BRODY, THE PRESIDENT OF THE EX-IM BANK, A RELATIONSHIP THAT PRECEDED OUR SERVICE IN THE CLINTON ADMINISTRATION, MARIA HALEY, A VERY SENIOR OFFICIAL IN THE EX-IM BANK IS A PART OF OUR DELEGATION. I THINK THERE HAVE BEEN TREMENDOUS STRIDES MADE BY THE BANK IN BEING FLEXIBLE AND INCREASING OUR COMPETITIVE EDGE SO TO SPEAK. THERE IS NO QUESTION THAT FINANCING

REMAINS A PROBLEM. IT IS SOMETHING THAT WE CONTINUE TO WORK ON. I INDICATED THAT WE DEALT WITH THE TIED-AID ISSUE. WE STILL DON'T LIKE IT. WE STILL DON'T LIKE THE FACT THAT OUR COMPETITORS ARE USING THE TIED AID WE THINK IN CREATING AN UNFAIR ADVANTAGE, BUT WE HAVE DECIDED THAT IF WE ARE SERIOUS ABOUT COMPETING WE ARE GOING TO FORGET ABOUT WHETHER WE LIKE IT OR NOT AND WE ARE GOING TO TAKE THE NECESSARY STEPS TO COMPETE. I THINK OUR AGGRESSIVE APPROACH HAS CREATED POSITIVE RESULTS. CERTAINLY WE WOULD NOT HAVE BEEN SUCCESSFUL WITH EITHER THE AIRCRAFT SALE TO SAUDI ARABIA OR ATT'S VICTORY IN THAT COMPETITION IN SAUDI ARABIA WITHOUT THE HELP AND SUPPORT OF THE EX-IM BANK. YOU DON'T WIN THOSE DEALS UNLESS YOU ARE COMPETITIVE. WE WOULD NOT HAVE BEEN SUCCESSFUL IN THE RECENTLY ANNOUNCED VICTORY BY RAYTHEON IN THE SIVAM PROJECT IN BRZIL HAD IT NOT BEEN FOR THE FLEXIBILITY OF THE EX-IM BANK. IT WAS A FOREGONE CONCLUSION THAT THE FRENCH WERE GOING TO WIN THAT CONTRACT. WE WENT TO BRZIL A LITTLE OVER A MONTH AGO. WE BROUGHT RAYTHEON EXECUTIVES WITH US INCLUDING DENNIU PICARD, THE CHAIRMAN AND CEO OF RAYTHEON. WE HAD EX-IM BANK PEOPLE ON THE SCENE AND WE WON. WE INTEND TO CONTINUE THAT PROACTIVE AND AGGRESSIVE APPROACH ALL OVER THE WORLD. THERE IS ONE THING I WOULD LIKE TO SAY IN CLOSING. I JUST WANT TO ASSURE EVERYONE HERE THAT NO ONE IS GOING TO WORK HARDER THAN THIS SECRETARY OF COMMERCE, THAN PRESIDENT CLINTON AND THE ENTIRE TEAM THAT WE HAVE ASSEMBLED IN THE TRADE AND EXPORT PROMOTION AREA TO STAND SHOULDER TO SHOULDER WITH THE AMERICAN PRIVATE SECTOR, TO WORK WITH YOU IN TRUE PARTNERSHIP. WE ARE NOT ONLY CONCERNED ABOUT COMPETING BUT WE ARE DETERMINED TO WIN.

PEOPLE ALWAYS TALK ABOUT WANTING A LEVEL PLAYING FIELD, I DON'T WANT A LEVEL PLAYING FIELD, I WANT A TILTED PLAYING FIELD, AND I WANT IT ... (APPLAUSE) .. I WANT IT TILTED TOWARDS US. NOT BY SOME UNFAIR ADVANTAGE. I WANT THE RULES AND REGULATIONS TO BE IMPLEMENTED AND ENFORCED FAIRLY AND EVENLY AND IT'S LEVEL IN THAT RESPECT, BUT I WANT THE TILT TO COME FROM STRONG AND HOPEFULLY EFFECTIVE ADVOCACY. I WANT THE TILT TO COME THROUGH PARTNERSHIP. I WANT THE TILT TO COME BECAUSE WE SEE SENIOR EXECUTIVES OF THE ADMINISTRATION AND 24 CEOs OF MAJOR AMERICAN COMPANIES GETTING OFF OF A UNITED STATES OF AMERICA PLANE ACTING AS A TEAM WITH A COMMON SENSE OF MISSION AND A COMMON SENSE OF PURPOSE, MAKING THE SAME POINTS AND MAKING THEM FORCEFULLY, TO LEADERS OF COUNTRIES THROUGHOUT THE WORLD AND TO THE PRIVATE SECTORS OF THOSE COUNTRIES TO LET THEM KNOW IN CLEAR AND UNEQUIVOCAL TERMS THAT WE INTEND TO COMPETE AND WIN IN THIS TOUGH GLOBAL ECONOMIC ENVIRONMENT. AND WITH YOUR HELP AND SUPPORT AND WITH THE KIND OF

-10-

COMMUNICATION THAT WE ARE INVOLVED IN, WITH OUR DETERMINED DESIRE NOT ONLY TO TALK AT THE BUSINESS COMMUNITY BUT TO LISTEN TO THE BUSINESS COMMUNITY AND TO BE RESPONSIVE TO YOUR NEEDS. AND WHY IS THAT? IT IS BECAUSE WE ARE NOT EMBARKED UPON THIS STRATEGY BECAUSE OF SOME IDEOLOGICAL OR PHILOSOPHICAL COMMITMENT. WE HAVE EMBARKED UPON IT BECAUSE WE ARE RELENTLESSLY PRAGMATIC. WE ARE BOTTOM LINE ORIENTED. WE WANT TO GET THE JOB DONE. WE WANT TO MAKE SURE THAT WE ARE ABLE TO STEP ON THAT PLAYING FIELD WITH A SENSE OF CONFIDENCE AND WITH A SENSE OF OPTIMISM AND I AM CONVINCED THAT IF WE DO THAT WE WILL HAVE MANY MORE SUCCESSES THAN WE HAVE FAILURES. THANK YOU VERY MUCH. (END TEXT) -